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Indiana Commission for Higher Education

ANNUAL REPORT

of the

COMMISSION FOR HIGHER EDUCATION

to

Governor Robert D. Orr

and the

Indiana General Assembly

March 1986

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PREFACE

During 1985 the Commission for Higher Education has devoted its principal attention to an update of the Indiana plan for higher education. The 1985 Report to the Governor and General Assembly contains the conclusions and recommendations which have emerged from this effort. These recommendations will guide the Commisions's review and recommendations for the funding of higher education for the 1987-89 biennium.

Subsequently, the Commision will monitor progress made on these recommendations and conduct a biennial update during 1987 on this plan for the future of Indiana higher education.

Appendix B of this report reviews the activities in which the Commission has been engaged throughout the year. Concurrently, the Commission is issuing its annual fact book on Indiana higher education which provides basic data and highlights important trends.

In concluding its 1985 report, the Commission wishes to express appreciation to Governor Robert Orr and Lt. Governor John Mutz, the General Assembly, public and independent institutions of higher education, related state agencies, and numerous professional organizations and concerned citizens for their support and cooperation during 1985. The continued interest and support of each and all of these individuals and groups is essential for the accomplishment of the goals and recommendations contained in this report.

Dr. Beurt SerVaas
Chairman

Clyde R. Ingle
Commissioner

FUTURE DIRECTIONS FOR INDIANA HIGHER EDUCATION: 1986-1996

I. INTRODUCTION

During 1985 the Commission for Higher Education and the institutions of higher education have engaged in a planning process to update Indiana's plan for how higher education can best be provided to the state's citizens. The present system has been evaluated. Needs and conditions for the next decade have been anticipated. Finally, plans have been developed for insuring that higher education's key service to citizens and communities will continue to be provided effectively and efficiently.

The planning process has been designed to involve institutions and decision makers in a continuing update of Indiana's plan for higher education. It is expected that the Commission will issue another biennial report on future directions in January of 1988. Through this ongoing process, the Commission for Higher Education aims to meet its statutory responsibility "..to develop, continually keep current, and implement a long range plan for post-high school education" in Indiana. The planning process precedes and provides direction for the Commission's responsibility to "...review the legislative request budgets of all state educational institutions" and "...to make recommendations concerning appropriations and bonding authorizations," a process which will occur during 1986.

The 1985 planning cycle is concluded with this report to the Governor and the General Assembly. The report contains conclusions and recommendations designed to focus and guide Indiana's investment in higher education for the next decade and beyond. A summary of the analysis is provided in the report, with background papers used in planning discussion cited in Appendix A.

II. INDIANA'S GOALS FOR PUBLIC INVESTMENT IN HIGHER EDUCATION

In assessing Indiana's present and future investment in higher education, the Commission for Higher Education has assumed five primary goals, as follows:

1. Access and Choice - Indiana should provide opportunities for its citizens to pursue the programs and campus experiences which best meet their needs.

2. Institutional and Programmatic Diversity - Indiana higher education should include distinctive institutions which, as a system offer a comprehensive range of programs.

3. Maintaining and Improving Quality - Indiana should enhance the quality of the higher education it provides.

4. Basic and Applied Research - Indiana should provide sustained support for both basic and applied research.

5. Meeting Community and Industrial Needs - Indiana postsecondary education should serve the needs of communities, business and industry, agriculture, and other segments of Indiana society.

No priority order among these goals has been established, and with limited resources available there is inevitably tension between and among these goals. It is necessary, however, that in evaluating the value of public investment in higher education and plotting future directions a common set of goals be agreed upon.

In considering these goals during 1985, the Commission for Higher Education has reviewed three planning initiatives with the institutions of higher education and various interested constitutencies. These planning initiatives are:

- o Reevaluating and improving access to higher education opportunities in Indiana
- o Refining institutional missions and,
- o Assessment and focusing of state funding.

A review and discussion of these initiatives has led to the identification of areas of concern and to a series of conclusions and recommendations regarding future directions for Indiana higher education for 1986-96. A summary of the analysis is provided in this report, with background papers used in planning discussions cited in Appendix A.

III. SPECIAL PLANNING INITIATIVE: REEVALUATING AND IMPROVING ACCESS TO HIGHER EDUCATION OPPORTUNITIES IN INDIANA

Job requirements are changing and a more highly educated work force is necessary if Indiana is to be competitive in attracting and retaining desirable industries. Thus, increased and more effective participation in postsecondary education is critical to the future economic and social well-being of Indiana.

According to the U.S. Bureau of Labor Statistics, the fastest growing job categories in relative terms, such as computer-related positions, and five of the top ten job categories in terms of absolute growth, such as nursing, engineering and elementary school teaching, require a college education. Indiana's manufacturing industries, which are hiring more and more at the technician level, are projecting that technician training will have to be upgraded to the bachelor's level within five years. Another essential educational task is the upgrading of current members of the workforce.

The change in job requirements and workforce preparation that has already taken place can be seen by comparing the U.S. labor force at two points in time. In 1952, 8% of the total U.S. workforce had four years or more of college. This percentage had grown to 19% by 1980. By contrast, only 12.4% of Indiana's workforce are estimated to have a college degree. One reason for the contrast is Indiana's apparently low college participation rate. At present, it is estimated that less than half of the state's high school graduates continue on to college, a rate that is below both midwestern and national averages.

The Commission has chosen to review carefully a series of conditions which have been seen as barriers to access to higher education in Indiana. From a review Of these conditions, the Commission has identified eight areas of concern. They are:

- o Determining and monitoring college participation rates,
- o Addressing motivational barriers to going to college,
- o Improving the preparation of students for college level work,
- o Reducing financial barriers to higher education in Indiana,
- o Reassessing geographical barriers to access,
- o Promoting regional cooperative efforts,
- o Expanding the capacity of the higher education telecommunications system, and
- o Increasing minority enrollment in higher education.

Commission conclusions and recommendations in each of these areas follow.

Area of Concern A:

Determining and Monitoring College Participation Rates

In 1985 there is no commonly agreed upon measure of the percentage of Indiana residents who go to college. Instead, decision makers and citizens are confronted with several different comparisons, each of which seems to demonstrate that Indiana's college participation rate is lower than national and regional averages.

Conclusion: A single measure upon which decision makers agree is required to establish Indiana's present standing and to enable institutions and the state's leadership to monitor future college-going behavior in the state.

Recommendation:

1. That a commonly accepted measure of college participation be developed by the higher education community and implemented in 1986.

Area of Concern B:

Addressing Motivational Barriers to Going to College

Ultimately, the decision to participate in higher education depends upon the individual's own motivation. Conventional wisdom has been that Indiana's relatively low college participation rate has resulted from a social attitude which regards higher education as unnecessary for a successful life and career. There is general agreement that the economic circumstances and lifestyle which may have contributed to this presumed attitude are rapidly changing, and that increased participation in higher education is critical to the future of the state. As part of its reevaluation of access in Indiana, the Commission -- in consultation with the institutions -- in 1985 sponsored a survey of citizen attitudes toward higher education. The findings show that two-thirds of Indiana residents feel that a college education is "very important." This finding is almost identical to the results of a Gallup poll of national attitudes toward college education.

Conclusion: Indiana citizens seem to value higher education as highly as other Americans; thus, refuting a prevailing myth that Hoosiers do not place as high a value on higher education as the rest of the nation. Motivation factors affecting college going rates are a complex issue requiring continued analysis and discussion.

Recommendation:

1. That in 1986 the Commission for Higher Education continue to survey Indiana attitudes toward higher education in order to understand better college-going behavior in Indiana.

Area of Concern C:

Improving the Preparation of Students for College Level Work

Through its analyses of minority participation and of the extent to which enrolled students are engaged in remedial work, the Commission has determined that a substantial problem impeding student success in Indiana higher education is inadequate basic skills preparation. The Commission also believes that the basic skills needed for going to college are the same basic skills needed for entering the workplace.

Conclusion: A comprehensive long-range plan for improving our students' preparation for college and for work is necessary.

Recommendations:

That the Commission for Higher Education and the institutions of higher education, in consultation with the Board of Education and the State Board of Vocational Technical Education, adopt a comprehensive plan for improving preparation for college and work, including the following steps:

1. That in 1986 the institutions of higher education adopt a common statement of the basic skills needed for success in college and at work, and include this statement in future catalogs, in recruitment and admissions activity, and that the Commission distribute and publicize this statement throughout the state.

2. That in 1987, in cooperation with the Board of Education, the higher education community identify a common set of tests of the basic skills which should be mastered by those preparing for college or work;

3. That in 1986 the Governor and General Assembly be requested to appropriate dollars for the purpose of developing and conducting a pilot project using these tests in 1986-87;

4. That in 1987-88 such testing be offered statewide on a voluntary basis to students in the ninth and eleventh grades for the purpose of providing an early assessment of basic skills needed for success in college and work.

5. That by 1988-89 institutions use these tests as one means for establishing basic skills levels for consideration for admission to programs and for placement.

6. That in order to provide basic skills opportunities at the postsecondary level more consistently and effectively, in 1986 a Basic Skills Council be established, consisting of the chief executives of the public institutions, or their designees, the President of the Independent Colleges and Universities of Indiana (ICUI), and the Commissioner for Higher Education. That the Council adopt an agenda which, for example, may include the collection of data on basic skills instruction and its effectiveness, reviewing the ongoing need for such instruction, and developing guidelines for distinguishing college level from non-college level work. That the Council present an annual report to the Commission for Higher Education.

7. That in order to establish clear accountability, by the 1987-89 biennium institutional basic skills programs be identified as a separate category within operating budgets.

8. That by 1990 college applicants will demonstrate the necessary knowledge and skills or will be required to complete a basic skills program or to demonstrate competency in the basic skills before being accepted unconditionally into college-level degree programs.

Area of Concern D:

Reducing Financial Barriers to Higher Education in Indiana

Among the more commonly discussed barriers to access to college is the inability of students and families to afford the cost of attending college. Over the years, Indiana has developed two major policies for overcoming this problem. The first is public investment in public institutions as a means of reducing the cost to students enrolled in their programs. The second is financial assistance for use at public or independent institutions dependent upon a student's financial circumstances. State financial assistance programs administered by the State Student Assistance Commission aid students in either the public or independent sector in proportion to their economic need. The state student assistance programs are in addition to substantial federal student financial assistance programs.

During the 1985-87 biennium there will be substantial increases in the state's funding of state administered grant programs and a modification of the grant formula in order to direct resources more directly to lower income students.

Conclusion: College attendance at Indiana's public colleges and universities is financially possible for most Indiana students. However, in view of possible further restrictions and reductions of federal assistance, future increases in costs, and the growing differential in cost between public and independent institutions, careful monitoring of the cost and ability-to-pay issues is required, with particular attention to the circumstances of low income students.

Recommendations:

1. That the State Student Assistance Commission and the Commission for Higher Education and the institutions continue to monitor the cost of attending college in Indiana and the ways students may meet these costs; further, that recommendations for actions necessary to continue to insure reasonable financial access accompany the 1987-89 higher education budget requests of the State Student Assistance Commission and the public institutions.

2. That the institutions, the Student Assistance Commission, and the secondary schools continue to inform students and their families of how college may be financed, emphasizing that no Indiana student need be deprived of an opportunity to attend college for financial reasons.

3. That the Commission for Higher Education monitor price differentials among institutions and assess the impact upon access to the institution of the student's choice.

Area of Concern E:

Reassessing Geographical Barriers to Access

There are several dimensions to the concept of geographic access. It is usually assumed to mean that a publicly-supported campus or major instructional site is within reasonable commuting distance of most citizens in a state. It is further assumed that these instructional sites can provide publicly-supported basic programs offered by either campus faculty or visiting faculty or through telecommunications. There is a geographical barrier to access when Indiana citizens find themselves beyond reasonable commuting distance from the nearest publicly-supported instructional site offering basic higher education programs.

To overcome geographic barriers to access, Indiana has undertaken a variety of efforts. It has established a system of seventeen public academic campuses. Indiana Vocational Technical College operates twenty-seven major instructional sites. Degree programs have been authorized in a variety of locations throughout the state. During 1985, the Commission for Higher Education has conducted an intensive review of geographic access in Indiana to determine the extent to which geographic access is adequate to meet the needs of Indiana citizens in 1986 and the coming decade. This review has shown that:

1. With the exception of southeastern Indiana, there is a high degree of access throughout Indiana to the major instructional sites of the state public colleges. For example:

   - o More than 95% of the state's population resides in or lives next to a county which hosts a major instructional site of one of Indiana's public colleges.
   - o Approximately 80% of persons residing in Indiana's cities are within 30-45 minutes travel-time, one-way, of a major instructional site of one

of Indiana's public colleges; only 5% of persons residing in Indiana's cities have to travel more than 60-90 minutes to reach these same sites.

2. Geographical access in Indiana is substantially enhanced by the range of programmatic offerings which are available at regional campuses and at main campuses which meet regional needs. Unlike community colleges which offer only two year programs, Indiana's campuses make available a broad range of programs from the certificate (one-year) level to the masters level. Hence, in Indiana, geographical access is broadly available not to one- and two-year programs at community colleges, but to an array of degree programs at various levels corresponding to individual and community needs.

3. Further enhancement of geographical access can be accomplished by reaching common agreement on a basic menu of degree programs which should be widely available throughout Indiana where sufficient demand exists. At its December 1985 meeting, the Commission adopted a basic menu of degree programs which consists of 33 programs, 15 at the certificate/ associate level, 12 at the baccalaureate level, and 6 and the masters level. These basic menu programs should be given special attention as public institutions develop and as the Commission and the State Board for Vocational Technical Education consider new academic degree programs.

4. There needs to be continued attention to providing more consistent access across the state to basic degree programs for which there is sufficient demand. Access to basic menu programs is uneven. For example, there is 100% access in areas of the state served by major public instructional sites to certificate (one-year) level secretarial programs. However, only slightly more than half of these areas have access to an associate level program in nursing and less than two-thirds of these areas have access to a baccalaureate level program in business/management/supervision.

5. In order to refine and improve geographic access for the next decade, the state should further refine approaches which have been shown to work in Indiana, such as the regional campus system, state-wide programs, the Indiana Higher Education Telecommunication System and inter-institutional cooperation among public and between public and private colleges. In addition, the State should explore the potential of further enhancing geographical access by interstate agreements with neighboring states.

Conclusion: There is a high degree of access to public campuses and IVTC instructional sites. However, there is a need to improve access to basic programs in some areas of the state.

Recommendations:

1. That Indiana's colleges and universities and the Commission for Higher Education continue their active exploration of the academic and occupational program needs of southeastern Indiana. Further, that the Commission for Higher Education during 1986 explore means by which interstate agreements with Ohio and Kentucky might contribute to expanding educational opportunities in southeastern Indiana.

2. That Indiana's colleges and universities and the Commission for Higher Education continue their active exploration of the academic and occupational program needs of the Anderson region. That this exploration pay particular attention to the potential programmatic contributions of Ball State University, Purdue University (especially the Statewide Technology Program), Indiana Vocational Technical College, Anderson College, and Indiana University.

3. That the Commission for Higher Education place a high priority on supporting the growth of graduate opportunities in the Evansville area. Specifically, support should be extended for graduate programs included in the recommended basic menu of programs and provided under the auspices of the recently funded Graduate Center in Evansville.

4. That prior to the 1987-89 biennium, institutions propose means by which associate degree programs in general studies and in nursing, and baccalaureate programs in business, management, or supervision might be made more widely available in those less populated regions of the state which currently are served by an academic campus or a major IVTC instructional site and where adequate demand for such programs exists.

5. That the Commission for Higher Education invite proposals for the 1987-89 biennium for providing expanded opportunities statewide for studying business at the graduate level wholly or substantially through innovative uses of new and emerging technology.

6. That the Governor and the General Assembly continue and expand funding for the Public/Private Partnership Program in the 1987-89 biennium as a means of efficiently expanding geographic access in high need areas.

7. That in the future the Commission for Higher Education recommend only instructional facilities for which institutional planning has actively explored opportunities for shared facilities.

Area of Concern F:

Promoting Regional Cooperative Efforts

The Commission's reassessment of geographic barriers to access in Indiana has identified some areas where expanded program opportunities may be warranted. Regional cooperative efforts are likely to be among the most effective and efficient ways to provide such program opportunities. There are numerous examples of such efforts in Indiana higher education and which might guide future development. Among these are IUPUI cooperative ventures in Columbus and the cooperative efforts in offering statewide medical education, including public and independent cooperation, throughout the state over the past decade. Other activities which reflect the cooperative spirit include the Indiana University-Purdue University joint campuses in Fort Wayne and in Indianapolis, and the emerging Indiana University, Purdue University, and IVTC cooperation in Kokomo. Recent initiatives include the proposed Evansville Graduate Center.

The central feature of each of these activities is that major roles are played by two or more institutions in serving the higher education needs of a community or region. In many cases one institution serves as a host for programs from other institutions by providing the infrastructure and basic support for the programming of other institutions. This arrangement has been developed more extensively in Indiana than in virtually any other state. It includes cooperation among public institutions and between public and independent institutions.

Conclusion: In meeting Indiana's future needs for higher education opportunities, the time-tested and time-proven model of inter-institutional cooperation should be encouraged and supported aggressively.

Recommendation:

1. The Commission for Higher Education recommends that in order to promote access to needed programs during 1987-89, inter-institutional cooperation will be stressed as a means for serving unmet needs.

Area of Concern G:

Expanding the Capacity of the Higher Education Telecommunications System

Telecommunications has been a vital element in Indiana's system of providing higher educational opportunities in the past and will be increasingly important in the future. The present system cannot meet long-term program needs throughout the state. This lack of capacity hinders program development. Furthermore, the further development of higher education programming capacity for the state requires that higher education secure federal approval and state funding for the acquisition and use of additional Instructional Television Fixed Service (ITFS) channels which would allow more complete coverage of the state with instructional television.

Conclusion: Telecommunications as a means of delivery of higher education programming is at a crossroads in Indiana, requiring critical policy decisions within 1986.

Recommendations:

1. That the Governor and Lieutanent Governor be urged to complete by the fall of 1986 the planning of the Intelenet Project, the state's comprehensive approach to meeting its telecommunications needs for the coming decade.

2. That the Governor request and the General Assembly appropriate funds during 1987-89 sufficient for IHETS to secure the necessary ITFS channels to expand higher education's statewide system of telecommunication within the federally prescribed time constraints; and that Indiana University, as fiscal agent for IHETS, take every precaution and action necessary to secure the ITFS channels needed to complete the state's system of educational telecommunications.

Area of Concern H:

Increasing Minority Enrollment in Higher Education

After reaching a peak enrollment of 20,711 (7.7% of total enrollment) in 1980-81, black enrollment in Indiana higher education has declined each succeeding year. In 1983-84, the percentages of Blacks enrolled in higher education was 6.7% of total enrollment. Meanwhile in 1980 Blacks represented 7.6% of the total Indiana population and 8.9% of those in the age group 15-19. The general trend in participation in higher education by Hispanics is even worse.

As minorities become a large percentage of the Indiana work force, the education of minorities in Indiana becomes increasingly important for the future economic and social vitality of the state.

Conclusion: Increased and more effective participation in higher education by Indiana's minority population is essential if the skilled work force necessary for continued economic growth is to be available in Indiana.

Recommendations:

1. That in 1987-89 the state continue to stress the performance objective of increasing minority enrollment in higher education, and that those institutions demonstrating effective performance regarding this objective be supported for continued efforts.

IV. SPECIAL PLANNING INITIATIVE: REFINING INSTITUTIONAL MISSIONS

The most effective pursuit of the state's goals for public investment in higher education requires the selective and deliberate sharing of educational responsibilities among the various parts of Indiana's postsecondary system. A continued refinement and enhancement of current institutional missions will improve Indiana's ability to meet its growing need for higher education in an effective and efficient manner.

Several mechanisms for promoting the concept of shared responsibility are in place. Basic to all of these is a tradition among Indiana's institutions of accepting distinctive missions. For example, one institution is identified with architecture, another with engineering, a third with medicine, and so forth. The Commission for Higher Education's classification of instructional sites acknowledges eight categories of institutions and establishes the range of programs appropriate for each category. Other mechanisms, including statewide programs, systemwide schools, inter-institutional contractual arrangements, and a statewide telecommunications network, have been developed by the institutions themselves.

Over time, institutions and other instructional sites tend to become more comprehensive. Such tendencies may be driven by faculty aspirations, by changes in the boundaries of academic disciplines, and by institutional desires to expand or maintain enrollments. From a state-level perspective, however, tendencies towards comprehensiveness must be weighed against the resources available and the possibility of unnecessary duplication. For this reason, a periodic review of missions and programs is desirable.

Indiana's traditional specialization and sharing of responsibilities among institutions needs to be reaffirmed in 1986. This reaffirmation process will focus attention on four areas of concern relating to the refinement of institutional missions. These areas of concern are:

- Defining a basic menu of programs,
- Sharpening and focusing the role of providing occupational degree programs,
- Addressing specific institutional mission concerns, and
- Recognizing and building institutional excellence.

Area of Concern A.

Defining a Basic Menu of Programs

While Indiana higher education has promoted distinctive missions and roles for individual institutions, it has also assumed that certain programs, both traditional and emerging, should be widely available. This set of programs, consisting of a "basic menu" of programs, is suggested by the curricular elements common to most undergraduate programs, by student or market demand, and by consensus concerning the knowledge and skills that an educated person should possess.

Conclusion: Agreement upon a basic menu of programs is essential for an assessment of how well the present system is providing geographic access to Indiana citizens and for promoting more consistent educational opportunities throughout the state.

Recommendation:

1. That the institutions, the State Board for Vocational Technical Education and Commission for Higher Education agree to give priority during program development and new program approval to the programs and priority groupings as identified in the statement, "Defining Access to Higher Education: A Basic Menu of Degree Programs" (December, 1985), subject to appropriate considerations such as sufficient demand, cost, availability of specialized facilities and equipment, and special regional characteristics.

Area of Concern B:

Sharpening and Focusing the Role of Providing Occupational Degree Programs

Some Indiana citizens encounter problems when and if they attempt to transfer credit earned in postsecondary occupational programs to other postsecondary programs. One reason for this difficulty is that degree labels (Associate of Science, Associate of Applied Science) provide no clear indication of the relation between any one program and another. Nor do institutional catalogs always explain whether degree programs convey credit which is likely to be transferable. In Indiana the problem is most acute with students who begin their study at IVTC.

While other Indiana institutions also offer occupational programs, IVTC was established to provide occupational programs only. Credit from occupational programs is rarely considered "transfer credit." Students are likely to realize this, however, only when they attempt to transfer credit earned in such programs to other Indiana public institutions.

Conclusion: Indiana's students and their families deserve to be more fully informed about the transfer options inherent in the programs of their choice before they begin their studies, and institutions need to take a more aggressive stance toward informing students of any limitations upon opportunities for transfer of credit.

Recommendations:

1. That by March 1986 the institutions and the Commission for Higher Education agree upon and adopt a common statement of policy regarding the transfer of credit from associate degree programs, with explicit reference to occupational programs, and that the institutions include this statement in their catalogs and call attention to it in their recruitment and admissions activities.

2. That in order to clarify the purpose of degree offerings, by 1987 institutions offering the Associate in Applied Science degree, in consultation with the Commission for Higher Education, should develop and include in their catalogs a statement indicating that the A.A.S. degree will not necessarily provide full transfer of credit to a four-year program unless explicitly provided for in an articulation agreement with the institution offering the baccalaureate degree. Where such agreements exist, they should be specifically noted in the catalog description of the A.A.S. program.

Area of Concern C:

Addressing Special Institutional Mission Concerns

The missions of higher education institutions typically do not alter drastically over time. They are meant to provide an enduring sense of the institution's purpose, character, and commitments. In some cases, due to changes in the environment or within the institution itself, it becomes necessary to alter the mission of an institution so as to channel the efforts of the college or university in more productive ways. In other cases, it may be necessary to reaffirm the mission of an institution in order to focus its instructional, research, or public service activities in ways more consistent with the institution's traditional strengths and purposes.

Conclusion: The biennial examination of the higher education services plans, in concert with planning and policy studies undertaken by the Commission, provides an opportunity to consider appropriate modifications or reaffirmations of the missions of Indiana's public universities.

Recommendations:

1. That the Commission for Higher Education request Vincennes University to submit, by July 1, 1986, a statement of its long-range goals and plans regarding the expansion of its instructional activities in Indianapolis, and that the staff analyze, by the end of 1986, the desirability of having Vincennes University offer instructional opportunities to the general public in Indianapolis. That until the staff report has been completed and acted upon by Commission, Vincennes University is requested to limit expansion of its instructional activities in Indianapolis that are directed toward the general public.

2. That the mission of PU-North Central be reviewed by the Commission in 1986. This review shall include consideration of authority to offer baccalaureate programs, a change in the campus' placement in the Commission's classification of instructional sites, and cooperative efforts with IU-Northwest, PU-Calumet, and Valparaiso University as means of providing additional basic baccalaureate and master's-level opportunities in the region.

3. That Indiana University develop a plan by 1987 by which additional opportunities for basic baccalaureate and master's-level programs might be provided to the Richmond region drawing upon the resources of Indiana University and other colleges and universities, including Ball State University and Earlham College.

4. That the Commission for Higher Education, in concert with the affected institutions, by 1987 explore the extent to which the five public residential campuses are meeting, and should be expected to meet, the program needs of part-time students within their service areas.

5. That by 1987 the Commission for Higher Education, in consultation with the State Board of Vocational Technical Education, develop criteria and procedures for the approval of major instructional sites for IVTC throughout the state.

Area of Concern D:

Recognizing and Building Institutional Excellence

Contributing to the state's economic development, meeting student needs in an efficient manner, and enhancing the quality of educational opportunities available to students are all desirable goals for Indiana's system of higher education. The achievement of these goals will be facilitated through recognizing and building centers of excellence in the state's public universities.

Conclusion: Areas of programmatic excellence should be identified and supported, particularly in program areas in which the state already has substantial investment.

Recommendation:

1. That by the end of 1986, through the use of outside experts and inter-institutional advisory committees, the Commission in consultation with the State Board for Vocational Technical Education will conduct special studies of doctoral-level programs in education and sub-baccalaureate programs in the area of computer-related technology in order to identify where a targeting of state effort might maintain or achieve excellence.

V. SPECIAL PLANNING INITIATIVE: ASSESSMENT AND FOCUSING OF STATE FUNDING

Any consideration of future directions of higher education in Indiana must be concerned with the availability of resources. During the 1984 budget cycle, special attention was drawn to several observations related to funding:

- Between 1976-77 and 1983-84, higher education's share of State expenditures went from 21.6% to 18.1%, a drop of three and one-half percentage points, or $115 million.
- To make Indiana's state appropriations comparable to national averages would require an increase in state funding of from $100-130 million.
- To restore the state's level and share of per-student funding of public colleges would require slightly more than $90 million.
- Over and above inflation, institutions and SSACI requested improvements in base funding of approximately $180 million for the 1985-87 biennium.

As a result of final action by the 1985 General Assembly, higher education's share of the state budget reached 19.8%, close to where it was in 1980-81. The comparable figure for 1986-87 is projected to be 20.1%, which will mean that higher education's share of the state budget will have recovered more than half of the ground lost between 1976-77 and 1983-84. If the higher education expenditures of other states during the 1985-87 period rise on average only enough to offset inflation, the projected increase in Indiana state appropriations during the 1985-87 biennium will move Indiana 47% of the way to the national average of state investments in higher education.

The future of Indiana higher education depends upon adequate funding and the wise use of the funds which are made available. Areas of concern relating to funding and the focusing of resources include the following:

- Improved funding levels,
- The use of performance criteria in funding higher education,
- Establishment of state debt management policy,
- The funding of computer equipment replacement, and
- Funding needs for capital infrastructure investments.

Area of Concern A:

Improved Funding Levels

In its 1985-87 Biennial Budget Recommendations, the Commission drew attention to three goals: restoring state support to historical proportions, improving state support to make it more competitive with other states, and establishing a performance basis for funding. These three goals are interdependent. Additional dollars for higher education should be linked to specific instruction, research, and public service improvements and to improved financial access through increased funding for student assistance. Additional dollars for higher education improvements will also have the effect of restoring the state's emphasis on higher education in its budget to historical proportions, of restoring the purchasing power which higher education lost during the extreme inflationary periods of the 1970s and early 1980s, and of reducing the growing student share of the costs of higher education.

Conclusion: The Commission concludes that improved state funding, tied to improved performance, will significantly improve the quality of educational opportunities available to Indiana citizens and is necessary if the state is to compete effectively in attracting and retaining businesses and industries.

Recommendation:

1. **That, in the 1987-89 biennium, the state continue to improve its financial support of higher education.**

Area of Concern B:

The Use of Performance Criteria in Funding Higher Education

In order to support its analyses and recommendations regarding budgeting and financing for the State's higher education enterprise, the Commission has undertaken a number of special and ongoing monitoring activities.

Beginning with the 1987-89 biennial budget process, the Commission will also begin a new series of reports dealing with institutional progress toward objectives established for the 1985-87 biennium. This will involve describing institutional performance in pursuit of the nineteen objectives for which in 1984 the institutions established their own goals. In order to report progress on these goals to the General Assembly, the Commission -- working with the institutions and the State Board of Vocational Education -- will develop appropriate reporting conventions and formats to be included in the 1987-89 biennial budget instructions.

Conclusion: Future increases in investment in higher education should be accompanied by specific objectives indicating how these investments will enhance the performance of Indiana higher education.

Recommendation:

1. **That to demonstrate effective performance in higher education budget recommendations for the 1987-89 biennium will assess the performance criteria used in funding higher education in the 1985-87 biennium, and will revise the criteria for the 1987-89 biennium.**

Area of Concern C:

Establishment of State Debt Management Policy

During the 1984 biennial budget cycle questions relating to higher education debt emerged. Because of these questions, the Commission reviewed current debt management practices during the 1985 planning cycle.

Conclusion: While not easily discernible from disparate components of legislation and appropriation decisions, a comprehensive debt management policy exists. The principal features of this policy are:

- authority to undertake debt for most projects which generate an ongoing revenue stream,
- authority and indirect support through appropriations for specifically authorized academic buildings,
- orderly reduction of principal outstanding, regardless of the type of borrowing undertaken,
- managerial responsibility for debt assigned to the Trustees of the institutions,
- tax-exempt financing of most projects at independent colleges.

Recommendations:

1. That the Commission for Higher Education, with assistance from higher education institutions, develop and implement by 1986 a set of comparative procedures designed to measure and monitor the status of higher education debt overall and at individual institutions and campuses and that the results of these procedures be incorporated into the Commission's review of institutional biennial budget requests and be communicated to the Governor and General Assembly.

2. That by 1987 the policy and means of assessing and managing overall higher education debt and debt assumed by individual higher education institutions and campuses should be the subject of a general review.

Area of Concern D:

The Funding of Computer Equipment Replacement

For several biennia, the Commission has recommended funding for the replacement of certain types of equipment used by public institutions for instructional purposes. However, instructional equipment is only a portion of the equipment inventories of the institutions.

The Commission has also recommended improvements in the quantity and quality of academic computing resources. The Commission's computing recommendations have not been tied directly to the equipment replacement inventory because public institutions were perceived to have inadequate amounts of computing equipment. Now, due to substantial funding of additional computing equipment over the last few biennia, replacement of that equipment has become an important topic.

Conclusion: A formula approach similar to that used with other instructional equipment can be applied to computing equipment and should be used in the 1987-89 budget cycle.

Recommendation:

1. That the Commission for Higher Education develop by April 1986, a set of computational procedures supporting recommendations, if warranted, for funding for computer equipment replacement.

Area of Concern E:

Funding Needs for Capital Infrastructure Investments

For several biennia, the Commission has made recommendations with regard to the funding of General Repair and Rehabilitation, a source of funds available to the institutions for the purpose of renovating existing facilities.

The funding formula used by the Commission in making these recommendations covers only academic-administrative space on campus. For some time, institutions have maintained that in addition to this (and other) space, there exists a large investment in support facilities -- "infrastructure" -- the rehabilitation of which should be funded by the State. These facilities include roads, utility tunnels and distribution systems, etc.

Conclusion: The existing repair and rehabilitation formulae can be adjusted to include significant portions of university capital infrastructure investment and will be included in the biennial capital budget cycle beginning in May.

Recommendation:

1. That the State make specific provision for the repair and rehabilitation of capital infrastructure investments beginning with the 1987-89 biennium.

APPENDIX A

Background Papers and Reports

APPENDIX A

BACKGROUND WORKING PAPERS AND REPORTS

June 7, 1984	Historical Funding Patterns: A Working Paper
July 12, 1984	Remedial and Developmental Education: A Working Paper
July 12, 1984	Minority Student Participation: An Interim Report
October 11, 1984	Draft Final Report on Minority Student Participation
October 11, 1984	Staff Report on Remedial Education in Indiana Postsecondary Education
November 9, 1984	Final Report on Minority Student Participation
December 13, 1984	Commission Working Paper of Remedial Education in Indiana Postsecondary Education
December 14 ,1984	Reports on Proposed Short-Term Objectives for Improved Investment in Higher Education
March 8, 1985	Detailed Summaries of Responses to Objectives for Improved Investment in Higher Education
March 8, 1985	Update of Indiana's Plan for Higher Education - Phase One: Discussion of Goals and Guiding Principles
June 13, 1985	A Review of Enrollment Expectations
September 12, 1985	Working Paper on Debt Management Practices and Policies
September 12, 1985	Defining Access to Higher Education: A Basic Menu of Degree Programs
October 10, 1985	A Review of Geographical Access to Public Higher Education Campuses in Indiana
October 31, 1985	Differences Among Kinds of Undergraduate Degrees: A Proposal for Giving Students Better Information About Their Choices
December 13, 1985	Identification of Basic Skills Needed for College and Work
December 13, 1985	Defining a Basic Menu of Degree Programs
December 13, 1985	Conclusions, Findings, and Recommendations on Geographical Access to Public Campuses and "Basic Menu" Degree Programs
January 10, 1986	Result from the Center for Survey Research Survey of Hoosier Attitudes About the Value of Higher Education
January 10, 1986	Report on Recent Enrollment Trends, Including Enrollment of Minorities

APPENDIX B

Commission for Higher Education Activities - 1985

APPENDIX B

COMMISSION FOR HIGHER EDUCATION ACTIVITIES - 1985

> The general purposes of the Commission for Higher Education shall be to plan and coordinate Indiana's state supported system of post-high school education, to review appropriation requests for post-high school education and make recommendations to the Governor, State Budget Agency, or the General Assembly,... (Indiana Statutes 20-12-0.5)

The following sections report how the Commission has met its statutory responsibilities during 1985.

A. PLANNING:

". . .to develop, continually keep current, and implement a long range plan for post-high school education."

The Commission planning activities for 1985 have been described in detail in the body of this report.

B. REVIEW:

". . .to review the legislative request budgets of all state educational institutions . . . and to make recommendations . . ."

The first four months of 1985 were spent working with individual members, committees and staff of the General Assembly and Budget Agency as higher education funding levels for the 1985-87 biennium were considered and decided. The computer-based system developed in 1980 by staff to aid in budget preparation and presentation was used by the General Assembly to assess the impact of different funding assumptions on the state appropriation level for higher education.

Since the end of the 1985 session, the Financial Affairs staff has been working with public higher education institutions on the equipment inventory and expenditure study, the Fall 1985 facilities inventory and space utilization study, and the Fall 1985 and Annual 1984-85 student information system enrollment submissions. All of these will be used for a variety of special reports and in the analysis of the 1985-87 operating and capital budget requests.

During 1985, over sixty-five capital projects have been reviewed by Commission staff. Financial Affairs staff have worked extensively with other staff on the biennial report on future directions.

C. STUDY:

". . . to make . . . studies of the needs for various types of post-high school education . . ."

During 1985, a series of studies have been conducted in support of the general planning effort described in this report. A list of those studies is provided in Appendix A.

D. PROGRAMS:

". . .to approve or disapprove the establishment of any new branches, regional or other campuses or extension centers, or of any new college or school, or the offering on any campus of any additional associate, baccalaureate or graduate degree. . ."

Proposed New Programs: In 1985 the Commission and its staff acted on 5 proposals submitted during 1984 and on 64 proposals submitted during 1985. In carrying out its responsibilities for reviewing new program requests, Commission staff worked with the State Board of Vocational and Technical Education in the review of new vocational-technical programs. The following table shows Commission actions on new program requests during 1985.

ACTIONS IN 1985 ON NEW DEGREE PROGRAM REQUESTS SUBMITTED IN 1984

CHE #	Institution	Name of Program	Date Received	Action
84-48	ISU-Terre Haute	MS in Electronics and Computer Technology	10/84	Approved 05/03/85.
84-50	Ball State Univ	BS/MS in Information and Communication Sci	12/84	BS Withdrawn. MS Approved 01/11/85.
84-51	ISU-Evansville	AS in Diagnostic Medical Sonography	12/84	Approval Recommended to SBVTE 03/08/85. SBVTE approved 05/07/85.
84-55	IU-South Bend	AS in Computer Science	11/84	Approval Recommended to SBVTE 01/11/85.
84-56	VU at Jasper	AAS/AS in Computer Programming Tech	08/84	SBVTE Approved 09/04/84.
84-57	IU-South Bend at Elkhart Ext.	AS in Computer Science		Withdrawn 05/15/85.

NEW DEGREE PROGRAM REQUESTS SUBMITTED IN 1985

CHE #	Institution	Name of Program	Date Received	Action
85-1	PU-Calumet	BS in Restaurant, Hotel & Institutional Management	02/11/85	Approved 04/12/85.
85-2	IU-IUPUI	Ed. D. in Language Education		Approved 03/08/85.
85-3	IU-IUPUI	MS in Language Education		Approved 03/08/85.
85-4	IU-IUPUI	MS in Counseling and Counselor Education		Approved 03/08/85.
85-5	IU-IUPUI	MS in Educational Psychology		Approved 03/08/85.
85-6	IU-IUPUI	MS in School Psychometry		Approved 03/08/85.
85-7	IU-IUPUI	Ed. D. in Adult Education		Approved 03/08/85.
85-8	IU-IUPUI	MS in Adult Education		Approved 03/08/85.
85-9	IU-IUPUI	Ed. D. in Vocational Education		Approved 03/08/85.
85-10	IU-IUPUI	MS in Vocational Education		Approved 03/08/85.
85-11	IU-IUPUI	Ed. D. in Higher Education		Approved 03/08/85.
85-12	IU-IUPUI	MS in College Student Personnel Administration		Approved 03/08/85.
85-13	IU-IUPUI	Ed.S. in School Administration		Approved 03/08/85.
85-14	IU-IUPUI	Ed. D. in School Administration		Approved 03/08/85.
85-15	IU-IUPUI	AS in Early Childhood Development	03/05/85	Approved 06/14/85.
85-16	IU-Kokomo	BA in English	03/05/85	Approved 06/14/85.
85-17	IU	AS in Labor Studies	03/05/85	Approved 09/12/85.
85-18	IU	BS in Labor Studies	03/05/85	Approved 09/12/85.
85-19	VU-Ft.Ben Har.	AS in Accounting		Approved 03/08/85.
85-20	VU-Ft. Ben Har.	AS in Behavorial Sciences-Sociology		Approved 03/08/85.
85-21	VU-Ft. Ben Har.	AS in Computer Programming Technology		Approved 03/08/85.
85-22	VU-Ft. Ben Har.	AS in Law Enforcement		Approved 03/08/85.
85-23	VU-Ft. Ben Har.	AS in Legal Assistant		Approved 03/08/85.
85-24	VU-Jasper	AS in Behavorial Sciences		Approved 03/08/85.
85-25	VU-Jasper	AS in Elementary Education		Approved 03/08/85.
85-26	VU-Jasper	AS in Secondary Education		Approved 03/08/85.
85-27	VU-Jasper	AS in Social Science		Approved 03/08/85.
85-28	VU-Jasper	AS in Social Work		Approved 03/08/85.
85-29	VU-Jasper	TC in Licensed Practical Nursing		Approved 03/08/85.
85-30	VU-Jasper	AS in Liberal Arts		Approved 04/12/85.
85-31	ISU-Connersville	BA in Vocational Technical Education		Approved 05/03/85.
85-32	ISU-Connersville	BS in Vocational Technical Education		Approved 05/03/85.
85-33	ISU-Indianapolis	BA in Vocational Technical Education		Approved 05/03/85.
85-34	ISU-Indianapolis	BS in Vocational Technical Education		Approved 05/03/85.
85-35	ISU-Indianapolis	MA in Vocational Technical Education		Approved 05/03/85.
85-36	ISU-Indianapolis	MS in Vocational Technical Education		Approved 05/03/85.
85-37	ISU-Merrillville	MA in Vocational Technical Education		Approved 05/03/85.
85-38	ISU-Merrillville	MS in Vocational Technical Education		Approved 05/03/85.
85-39	ISU-Merrillville	MA in Industrial Arts Education		Approved 05/03/85.
85-40	ISU-Merrillville	MS in Industrial Arts Education		Approved 05/03/85.
85-41	ISU-Versailles	BA in Vocational Technical Education		Approved 05/03/85.
85-42	ISU-Versailles	BS in Vocational Technical Education		Approved 05/03/85.
85-43	ISU-Vincennes	BA in Vocational Technical Education		Approved 05/03/85.
85-44	ISU-Vincennes	BS in Vocational Technical Education		Approved 05/03/85.
85-45	ISU-Vincennes	MA in Vocational Technical Education		Approved 05/03/85.
85-46	ISU-Vincennes	MS in Vocational Technical Education		Approved 05/03/85.
85-47	ISU-Evansville	BA in Vocational Technical Education		Approved 06/14/85.
85-48	ISU-Evansville	BS in Vocational Technical Education		Approved 06/14/85.
85-49	ISU-Evansville	MA in Vocational Technical Education		Approved 06/14/85.
85-50	ISU-Evansville	MS in Vocational Technical Education		Approved 06/14/85.
85-51	ISU-Evansville	MEd in Elementary Education		Pending.
85-52	ISU-Evansville	Master of Library Science (MLS)		Pending.
85-53	ISU-Evansville	Master of Public Administration (MPA)		Pending.
85-54	VU-Jasper	Associate of General Studies		Approved 06/14/85.
85-55	IU-Bloomington	Ed.S. in School Psychology	07/26/85	Under CHE Review.
85-56	IU-IUPUI	Ed.S. in School Psychology	07/26/85	Under CHE Review.
85-57	ISU-Terre Haute	BA in Automated Manufacturing Technology	08/09/85	Approved 10/11/85.
85-58	ISU-Terre Haute	BS in Automated Manufacturing Technology	08/09/85	Approved 10/11/85.
85-59	USI	Bachelors of General Studies	09/20/85	Approved 11/08/85.
85-60	IU-Columbus	AS in Nursing	09/27/85	Approved 01/10/86.
85-61	IU-Bloomington	MA in Russian and East European Studies	09/27/85	Approved 01/10/86.
85-62	IU-Bloomington	Ph.D. in the Study of Religion	09/27/85	Approved 01/10/86.
85-63	IU-East	BS in Biology	11/18/85	Under CHE Review.
85-64	IU-East	BA in History	11/18/85	Under CHE Review.

E. OTHER:

1. Program Start-Up Fund: The Program Start-Up Fund of $2.0 million augmented by the 1985 General Assembly provided a continuing means by which the state can respond to the funding requirements of selected high priority programs between biennial budget sessions. In part, these funds were distributed to a total of 5 new instructional program requests. Programs funded during the 1983-85 biennium are shown on the following table.

2. Public/Private Partnership Fund: This fund was established by the 1985 General Assembly as a special portion of the Program Start-Up Fund, in the amount of $300,000 which could encourage joint agreements for instructional or other educational programs between existing public and independent institutions. For 1985-87, these funds were allocated to three projects; these are also shown on the following table.

Commission for Higher Education

PROGRAM START-UP FUND AND PUBLIC-PRIVATE PARTNERSHIP FUND
ALLOCATED FUNDING FOR 1985-87 BIENNIUM

	Campus/Program	Site	1985-86 Total	1986-87 Total
I.	PROGRAM START-UP FUND			
	Indiana University			
	IU-1 AS/BS in Computer Integrated Mfg. Tech IUPUI	Indianapolis	$113,707	$286,920
	IU-5 MS in Bus. Administration IU-SB	Elkhart	$53,656	$138,878
	Purdue University			
	PU-2 AAS in Computer Technology	Anderson	$150,000	$272,400
	Ball State University			
	BSU-1 MS in Information & Communication Science	Muncie	$0	$159,691
	Indiana State University			
	ISU-1 BA/BS in Automated Mfg. Technology	Terre Haute	$0	$166,013
	Indiana Vocational Technical College			
	IVTC-4 AAS in Automated Manufacturing Tech-Region 10	Columbus	$54,748	$113,112
	IVTC-5 AAS in Automated Manufacturing Tech-Region 2	South Bend	$51,309	$104,776
	TOTAL - PROGRAM START-UP FUND		$423,420	$1,241,790
			Biennium	$1,665,210
II.	PUBLIC-PRIVATE PARTNERSHIP FUND			
	Purdue University			
	BSN Nursing Articulation Contract	Valparaiso	$31,000	$83,700
	University of Southern Indiana			
	Graduate Studies Center	Evansville	$0	$103,133
	Indiana State University			
	Integrated Library System	Terre Haute	$0	$82,167
	TOTAL - PUBLIC/PRIVATE PARTNERSHIP FUND		$31,000	$269,000
			Biennium	$300,000
	TOTAL - BOTH FUNDS		Biennium	$1,965,210